

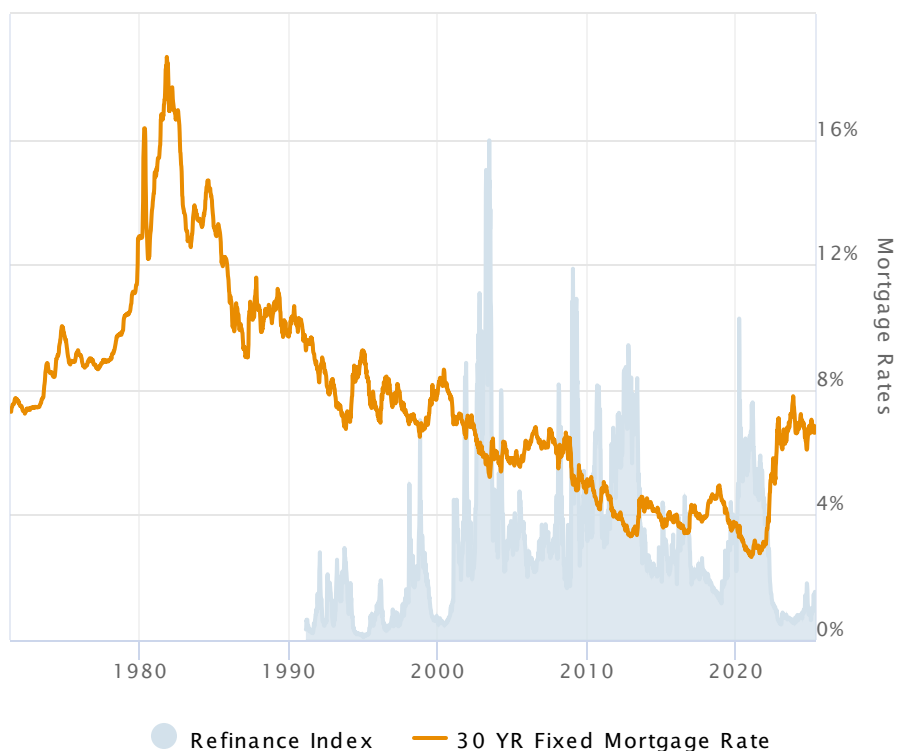


Rates Continue to Deter Purchasing

Mortgage application volume during the week ended July 24 was down slightly from the prior week. Static interest rates did little to stir the refinancing pot, but purchase volume declined.

The Mortgage Bankers Association said its Market Composite Index, a measure of that volume, decreased 1.8 percent on a seasonally adjusted basis from one week earlier and was down 1.5 percent on an unadjusted basis.

The Refinance Index ticked down 0.4 percent week-over-week and was 30 percent lower than the same week one year ago. The refinance share of mortgage activity increased to 28.7 percent of total applications from 28.4 percent the previous week.



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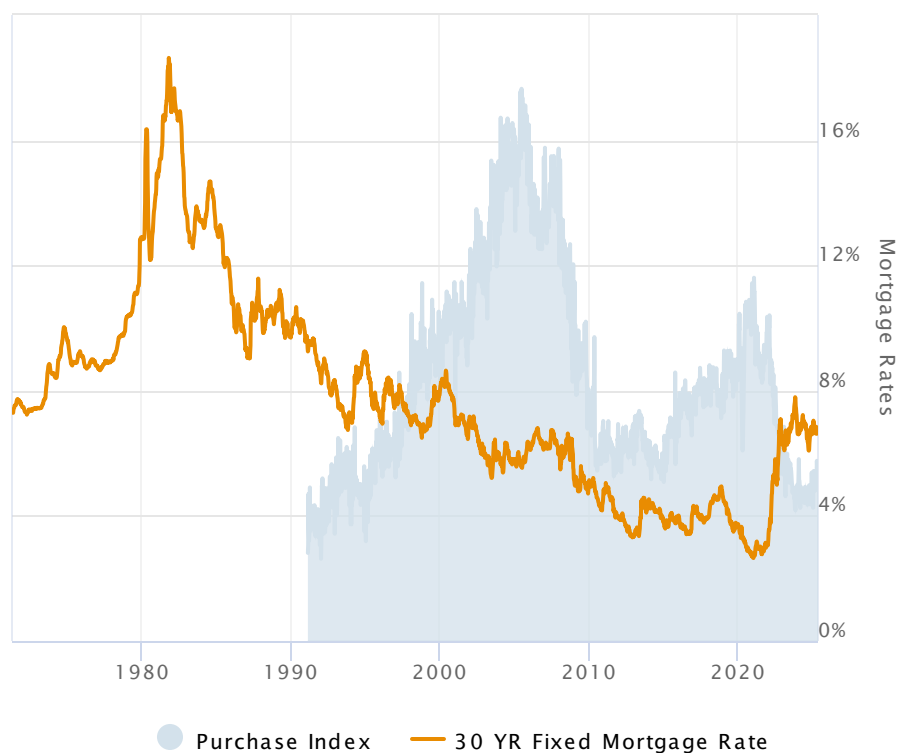
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The seasonally adjusted **Purchase Index** fell **3 percent** and declined 2 percent before adjustment. The index was 23 percent lower than the same week one year ago.



“Mortgage rates were essentially flat last week but remained high, with the 30-year fixed staying at 6.87 percent and contributing to a pullback in mortgage applications,” said Joel Kan, MBA’s Vice President and Deputy Chief Economist. “The 2.5 percent decline in purchase activity, partly driven by a 10 percent decrease in FHA applications, pushed the purchase index to its lowest level in over a month. The decrease in FHA purchase applications contributed to an increase in the **overall average purchase loan size to \$432,700, its highest level since the end of this May**. Refinance applications remained lackluster, running 30 percent behind year-ago levels. Many borrowers remain on the sidelines given current rates and persistent affordability challenges.”

Highlights from MBA’s Weekly Mortgage Application Survey

- Loan sizes increased last week from \$372,900 to \$383,100 while the size of the average purchase mortgage rose to \$432,700 from \$418,600.
- The FHA share of total applications decreased to 12.7 percent from 13.6 percent and the VA share was unchanged at 12.1 percent. USDA loans accounted for 0.5 percent of total applications, unchanged from the prior week.
- While the average contract interest rate for conforming 30-year fixed-rate mortgages (FRM) was unchanged at 6.87 percent, points decreased to 0.65 from 0.66.
- The jumbo 30-year FRM had a rate of 6.90 percent, up from 6.89 percent. Points were unchanged at 0.64.
- The average rate for 30-year FRM backed by the FHA increased to 6.80 percent from 6.77 percent, with points dropping to 1.03 from 1.12.
- The rate for 15-year FRM ticked up 1 basis point to 6.37 percent. Points moved from 0.72 to 0.75.
- The average contract rate for 5/1 adjustable-rate mortgages (ARMs) fell to 6.01 percent from 6.27 percent, with points increasing to 1.25 from 0.91.
- The ARM share of activity decreased to 5.9 percent of total applications from 6.3 percent the prior week.